



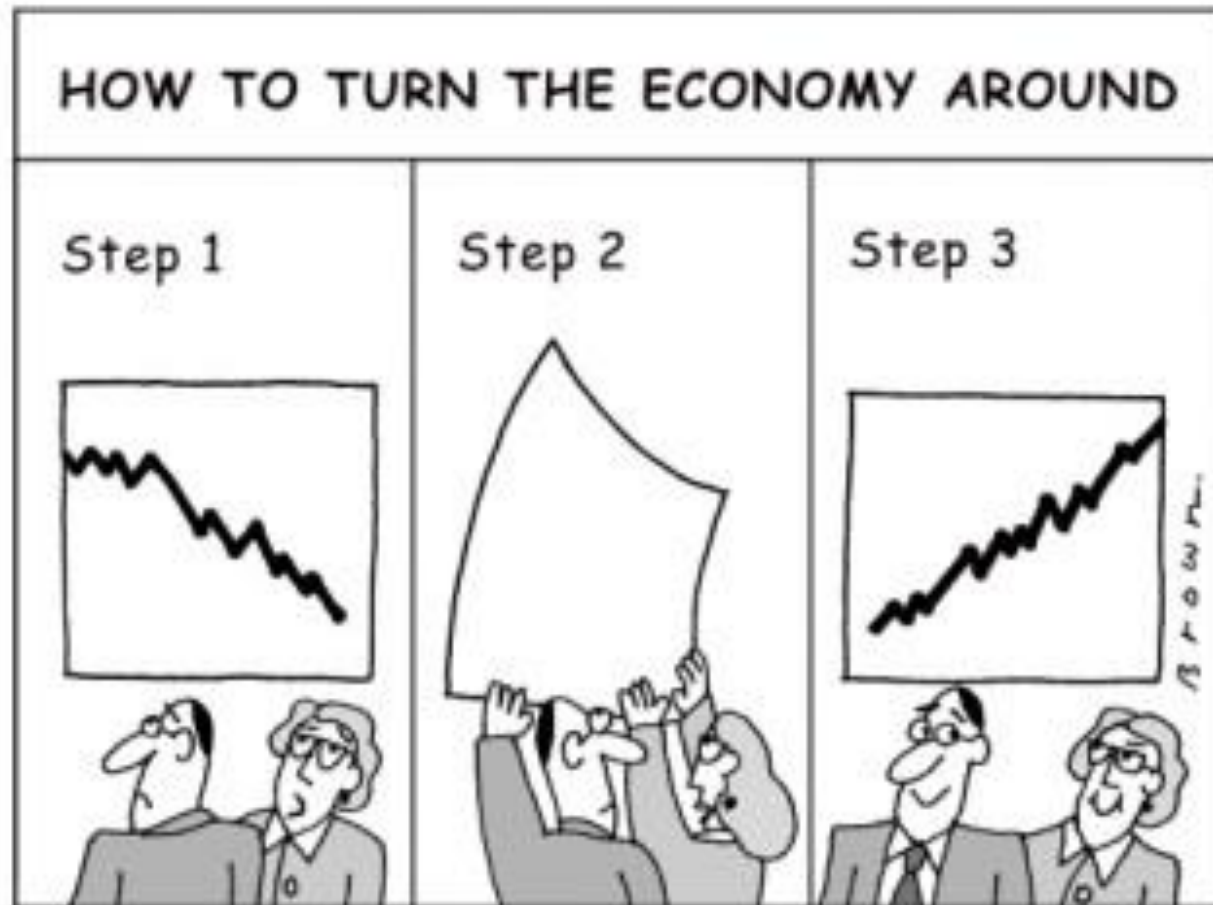
FY 2017-18 CAO RECOMMENDED OPERATIONAL PLAN

May 2017



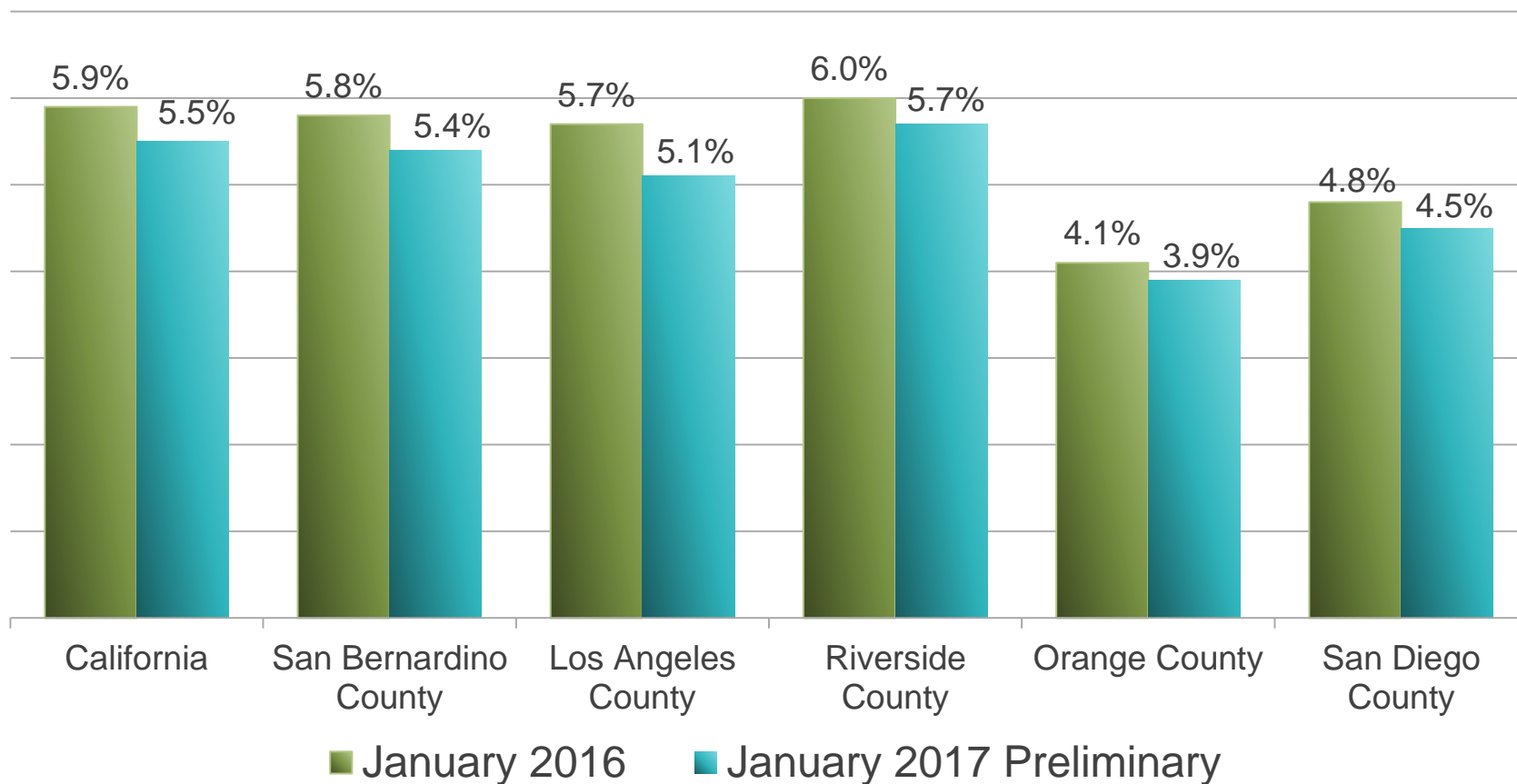


- ECONOMY
- GOVERNOR'S PROPOSED BUDGET
- FY 2017-18 CAO RECOMMENDED BUDGET
- NEXT STEPS

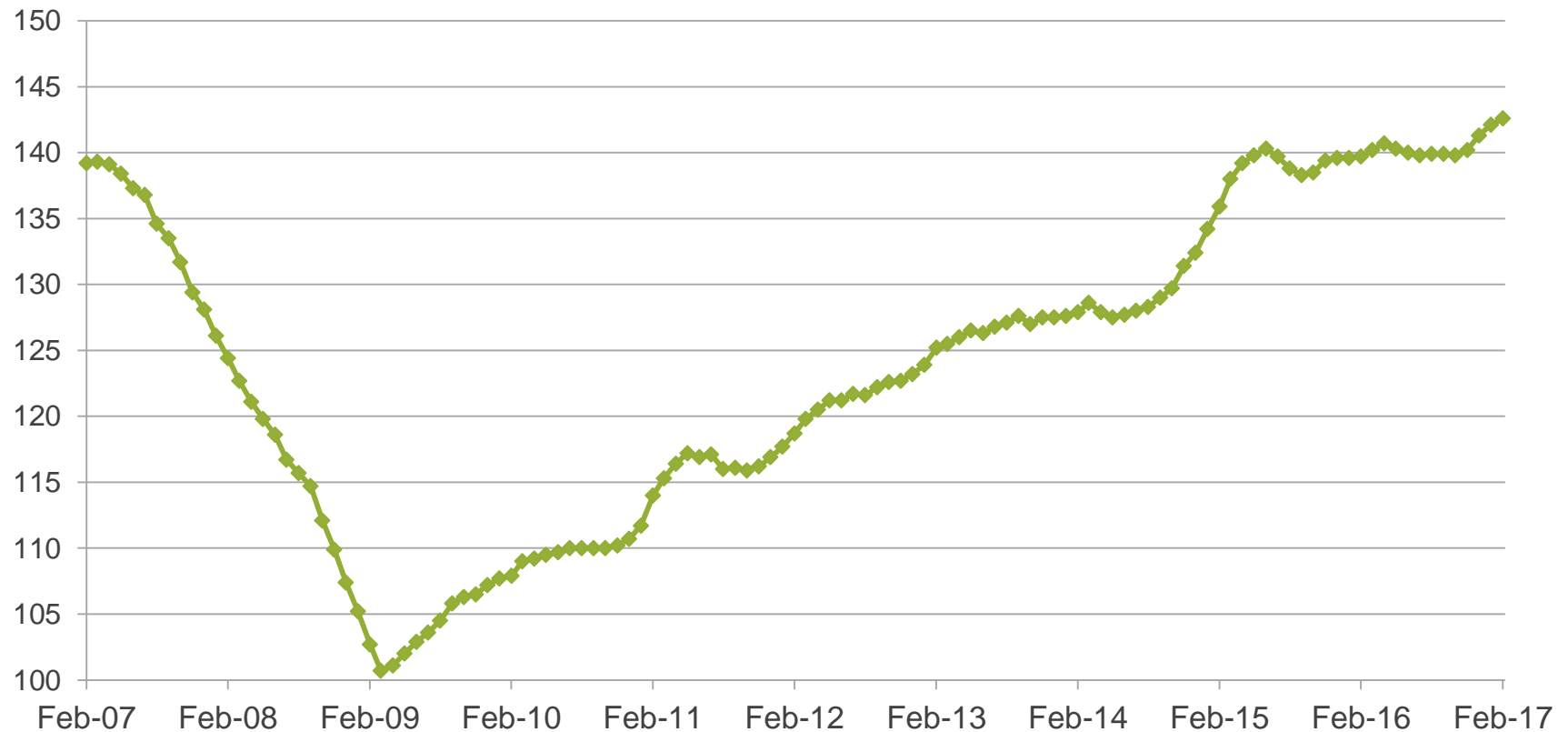




UNEMPLOYMENT RATE



INDEX OF LEADING ECONOMIC INDICATORS FOR SAN DIEGO COUNTY

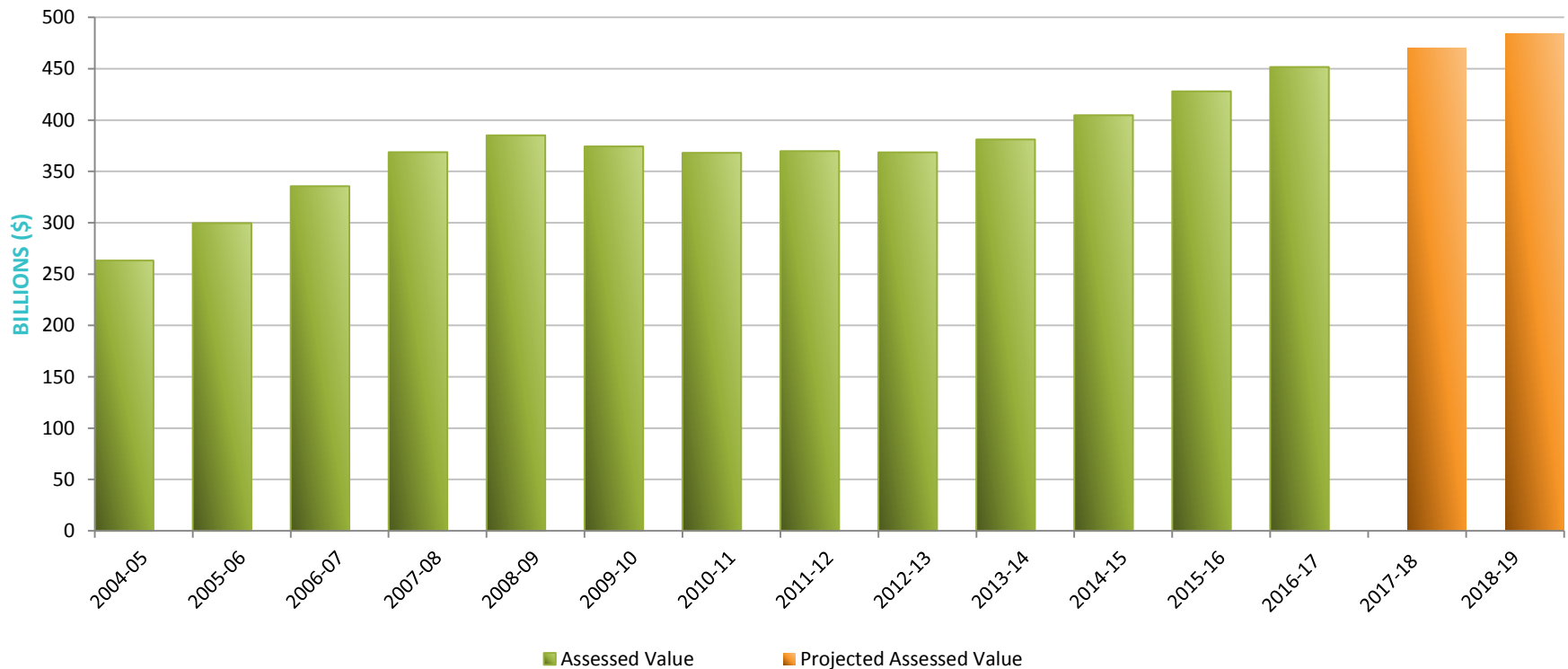


1. Index components: building permits, unemployment insurance, stock prices, consumer confidence, help wanted advertising, national economy.

2. Source: USD Index of Leading Economic Indicators for San Diego County, March 31, 2016; Burnham-Moores Center For Real Estate, University of San Diego.

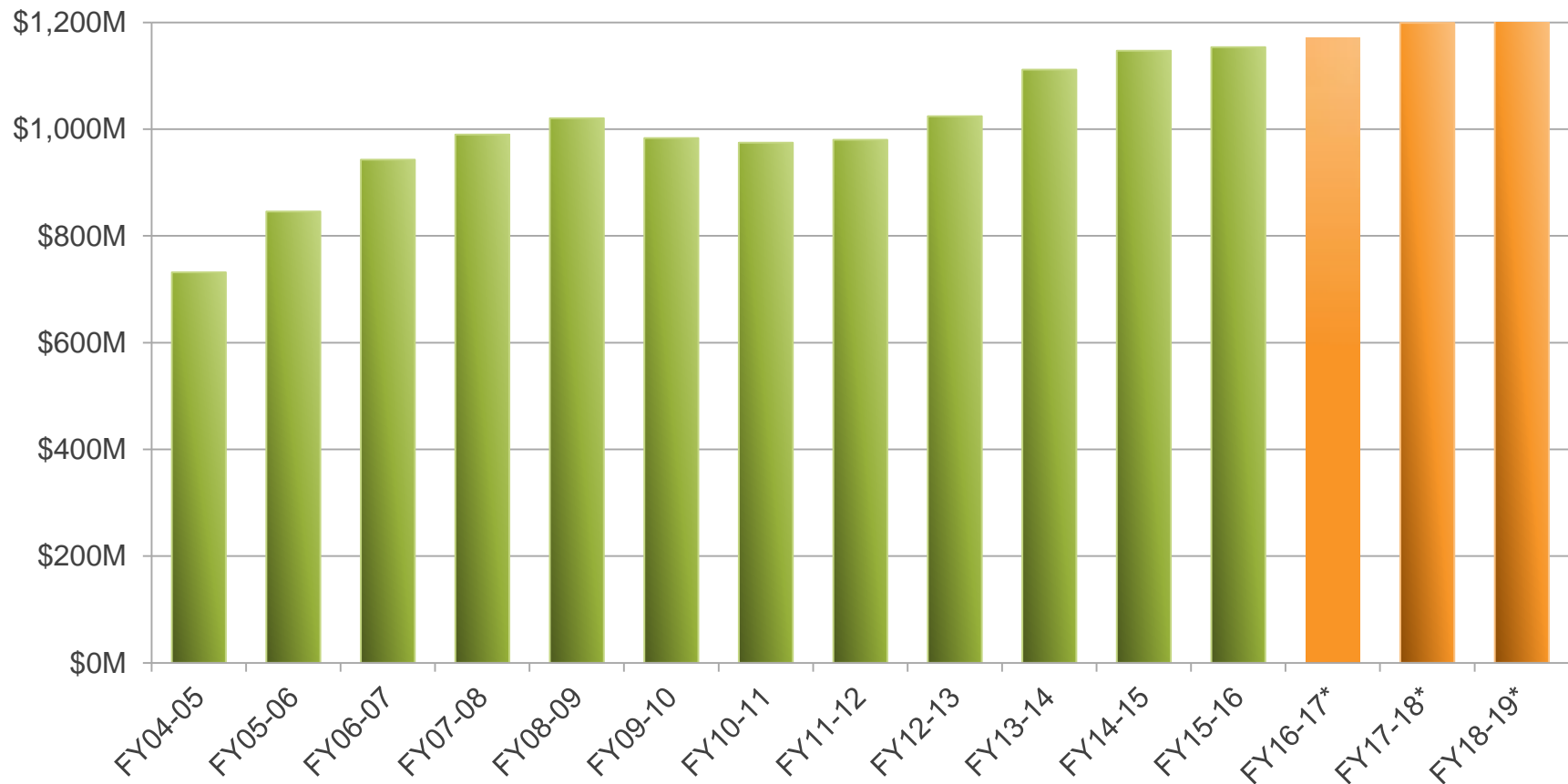
Locally Assessed Secured Property Values

Fiscal Year 2004-05 to Fiscal Year 2018-19



Note: The projected locally assessed secured values assume a 4.0% growth rate for Fiscal Year 2017–18 and 3.0% rate for Fiscal Year 2018–19.
Source: San Diego County Auditor and Controller

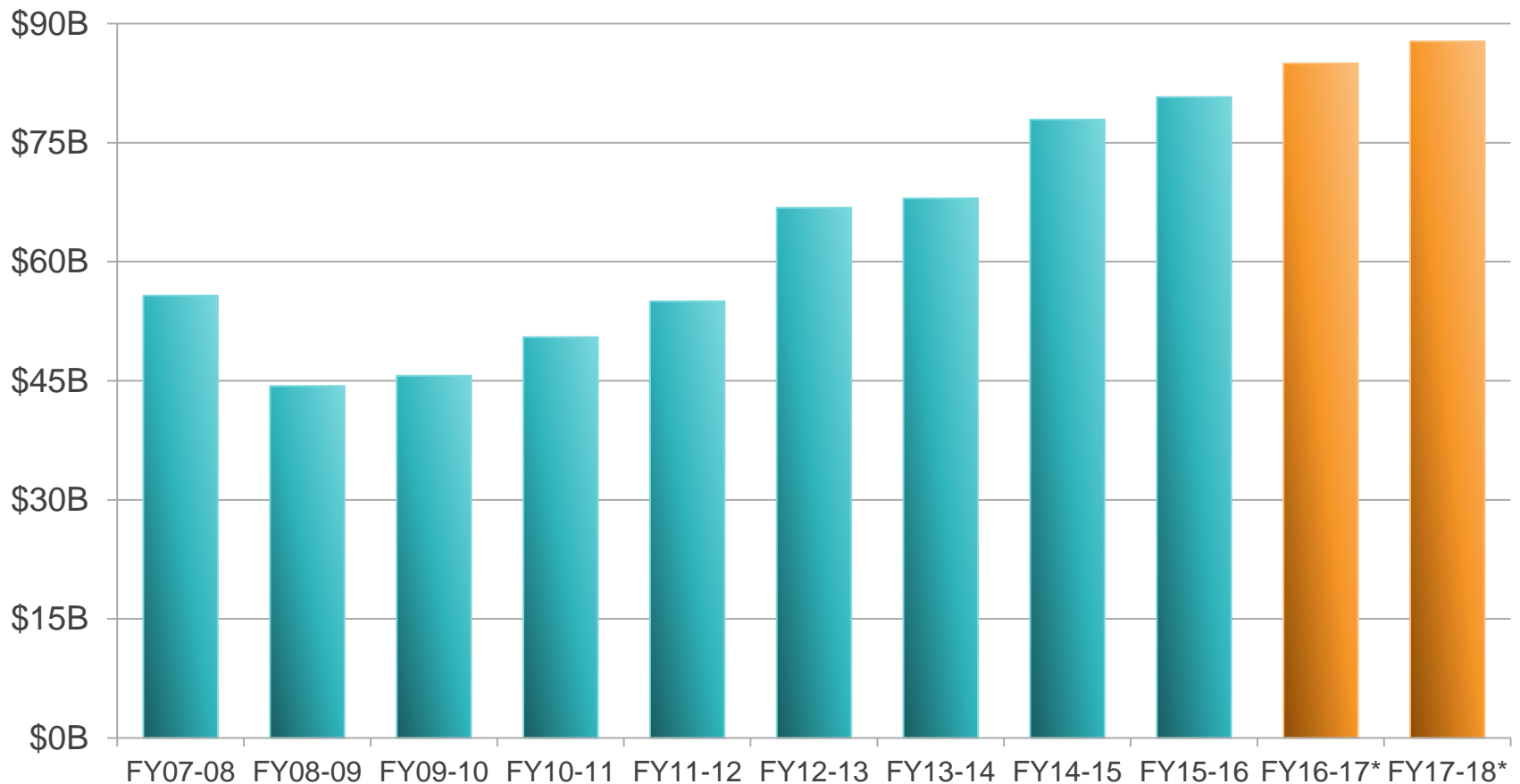
GENERAL PURPOSE REVENUE HISTORY



General Purpose Revenue (GPR) for Fiscal Years 2004–05 through 2015–16 represents actual revenue. Fiscal Year 2016–17 represents the 2nd Quarter estimate produced in December 2016. For Fiscal Years 2017–18 and 2018–19, the projections are included in the Fiscal Years 2017–19 Recommended Operational Plan.



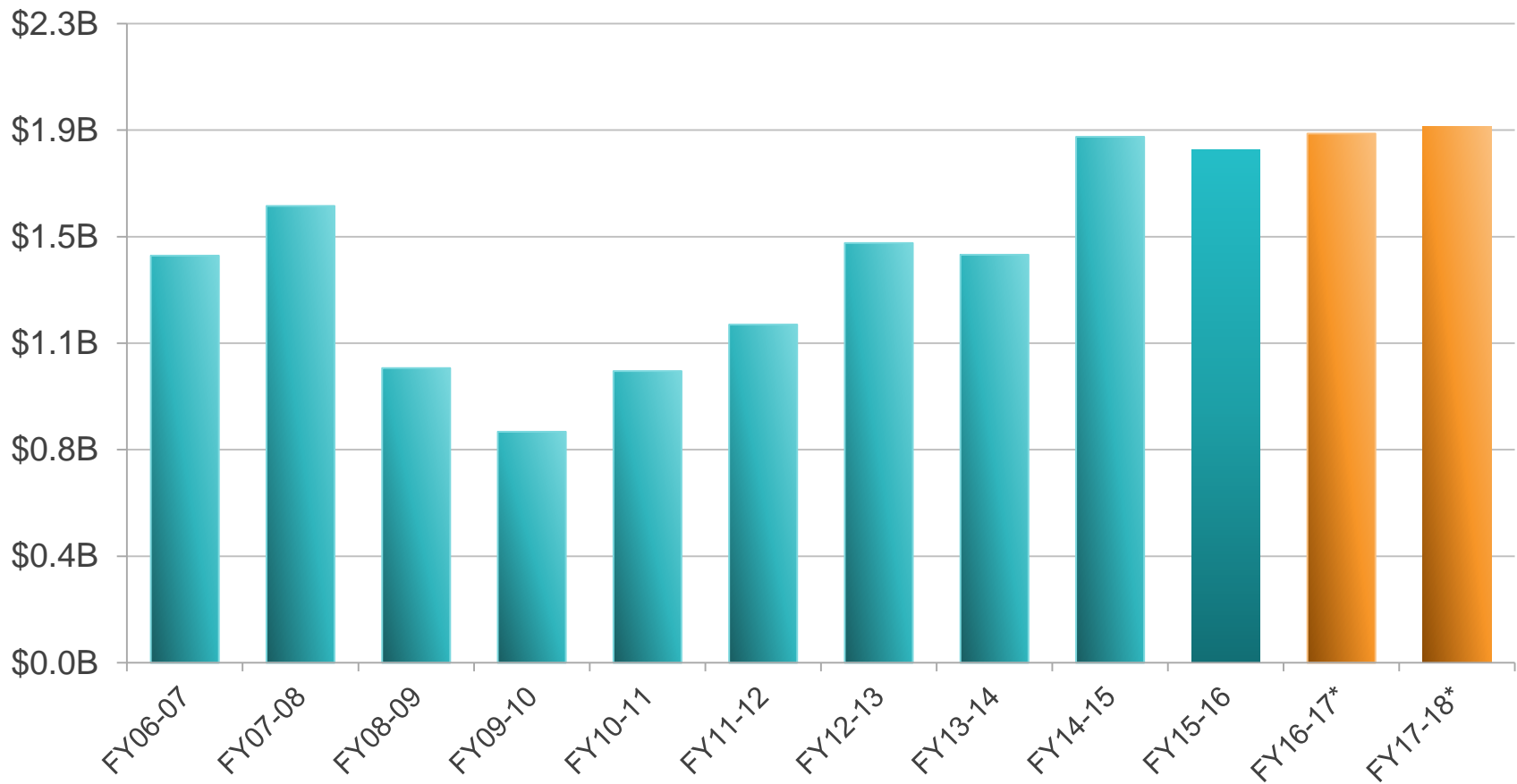
STATE PERSONAL INCOME TAX REVENUE



Source: State of California, Governor's Proposed Budget schedules for fiscal years 2008-09 through 2016-17

*Projected

STATEWIDE MENTAL HEALTH SERVICES ACT REVENUE

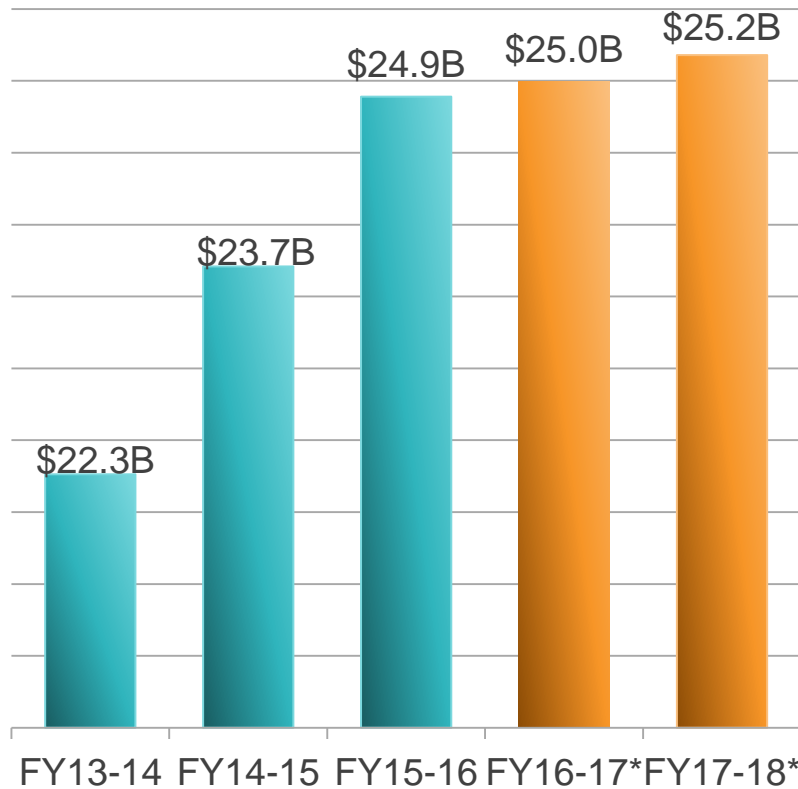


Source: State of California, Governor's Proposed Budget schedules for Fiscal Years 2008-09 through 2017-18

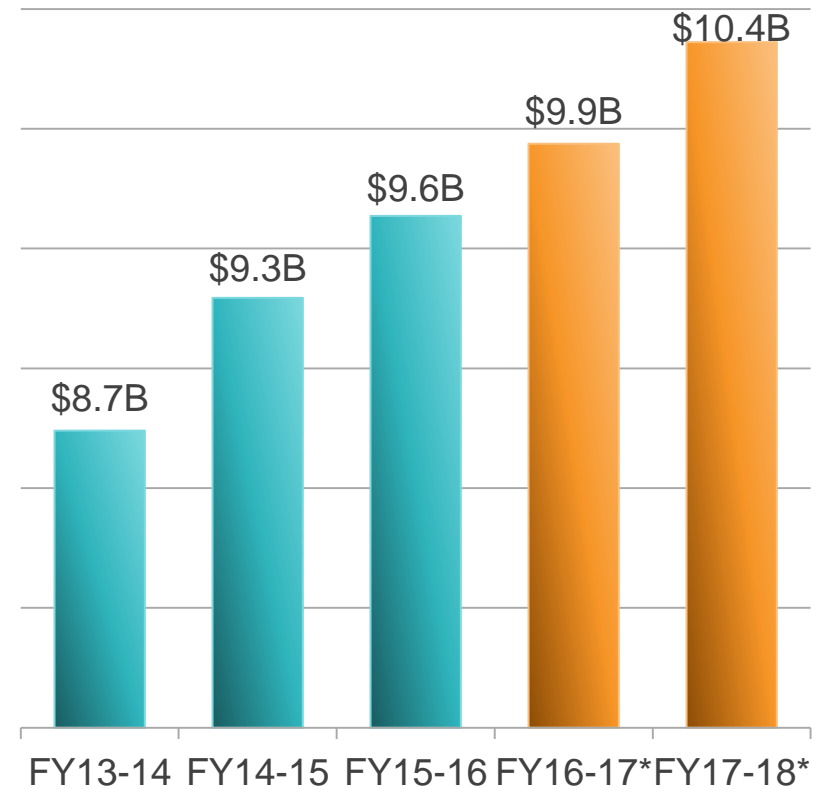
*Projected



CALIFORNIA SALES & USE TAX REVENUE



1991/2011 HEALTH & HUMAN SERVICES REALIGNMENT REVENUE



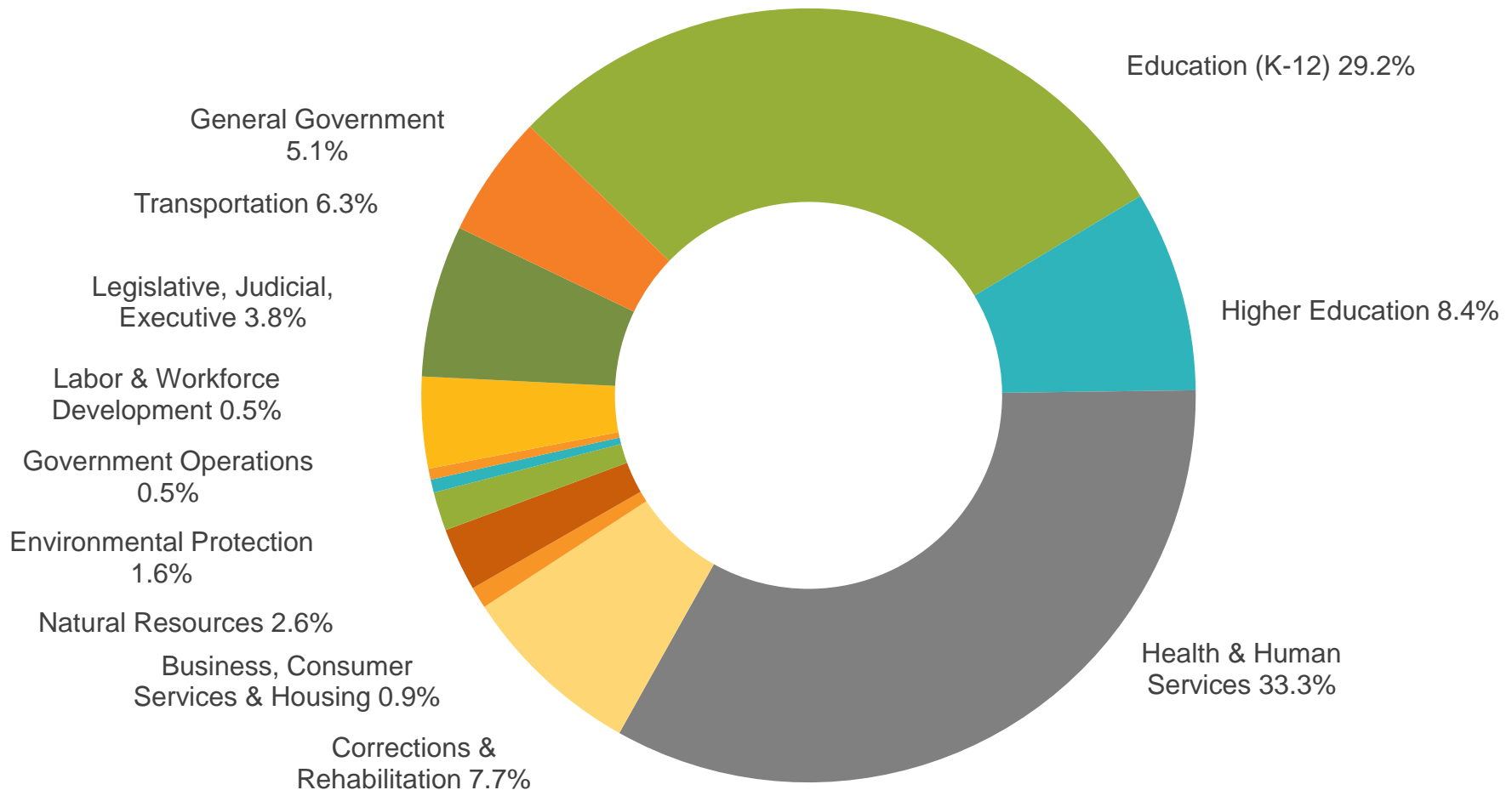
Source: State of California, Governor's Proposed Budget Summary FY2017-18, 2016-17, 2015-16

*Projected



EXPENDITURES BY AGENCY

FY2017-18 GOVERNOR'S PROPOSED BUDGET \$179.5 BILLION





- In-Home Supportive Services (IHSS)
- Drug Medi-Cal Organized Delivery System
- No Place Like Home
- Child Welfare Services Continuum of Care Reform

IN-HOME SUPPORTIVE SERVICES (IHSS) IMPACT OF ELIMINATION OF MAINTENANCE OF EFFORT (MOE)



FY 2011-2012

Before MOE

\$276 Million
Total Cost

17.5%
Share of Cost

\$45 Million
County Cost

24,500 Recipients

20,200 Providers

Wages	\$9.85
Benefits	<u>.35</u>
	\$10.20

FY 2016-2017

MOE

\$390 Million
Total Cost

Maintenance of Effort

\$52 Million
County Cost

28,000 Recipients

23,500 Providers

Wages	\$10.50
Benefits	<u>.35</u>
	\$10.85

FY 2017-2018

estimated

Loss of MOE

\$430 - \$445 Million
Total Cost

17.5%
Share of Cost

\$75 - \$78 Million
County Cost

29,500 – 30,500
Recipients

24,500 Providers

Wages	\$11.00
Benefits	<u>.35</u>
	*\$11.35



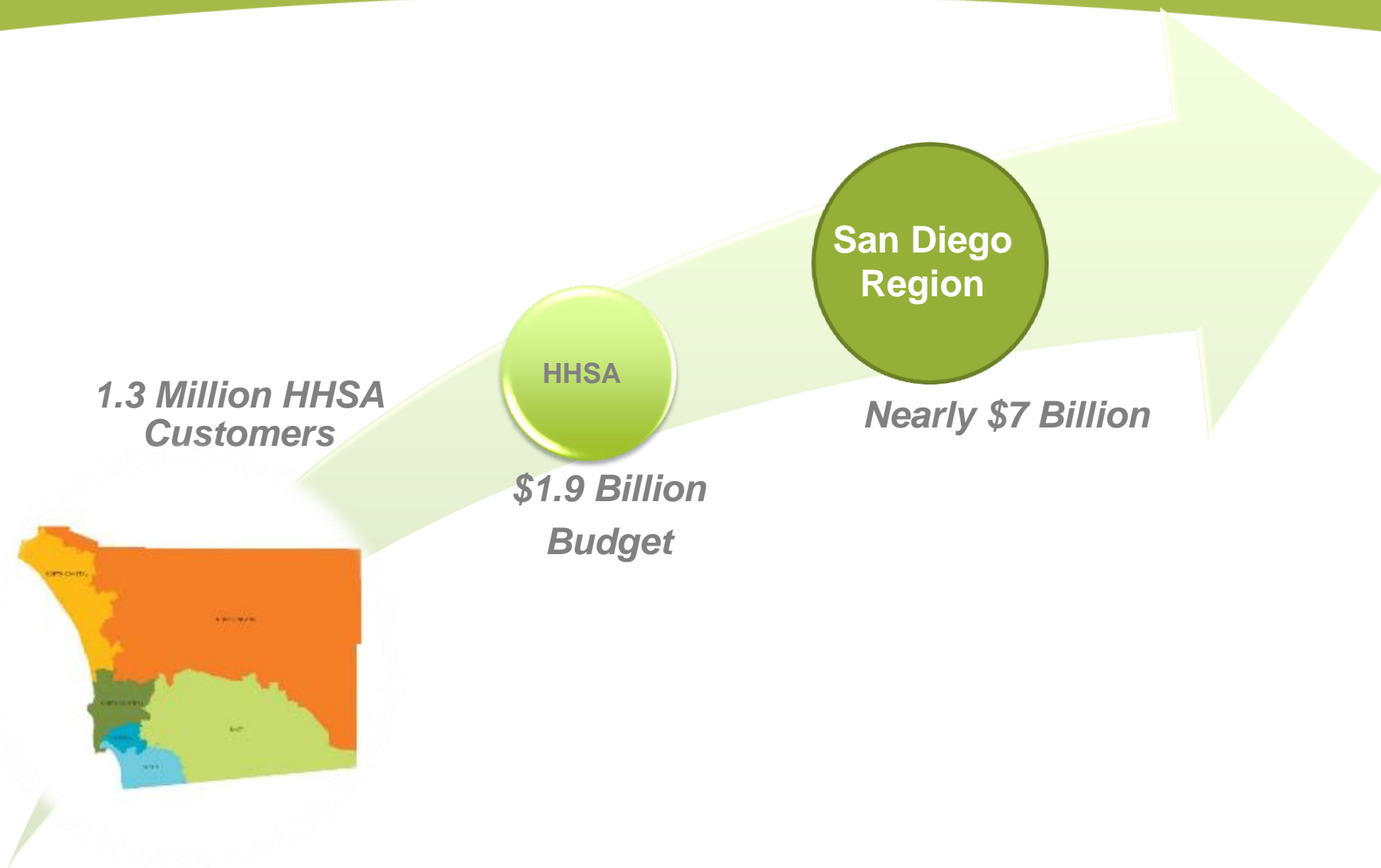
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**"I met with the budget people and we
agreed that the cheapest way to fix
all of our problems is chocolate."**

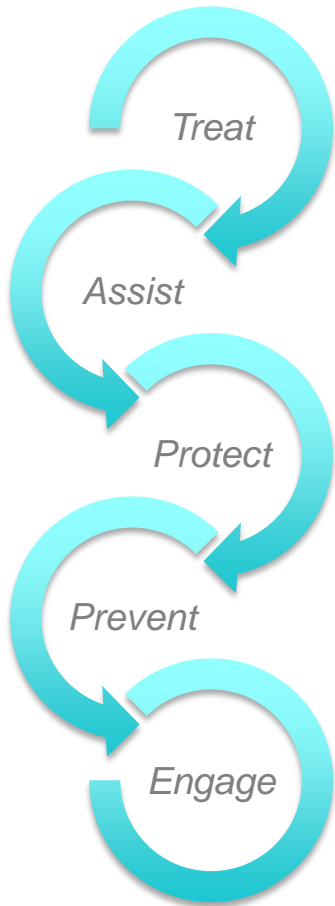


REGIONAL INVESTMENT FOR CHILDREN AND FAMILIES



Aging
Behavioral Health
Coverage and Care

INVESTING IN AGING WELL



Safety & Protection

- Senior Response Teams
- Residential Care Facilities for the Elderly – Rating System

Support

- Housing
- In-Home Supportive Services
- Alzheimer's Disease and Related Dementia
- Caregiver Support

Wellness

- Age Well Programs
- Nutrition
- Volunteerism

INVESTING IN BEHAVIORAL HEALTH



INVESTING IN COVERAGE AND CARE



Providing a continuum of care and integrated service delivery system ensures that residents receive the right service, at the right time, for the right results to achieve health, security, and independence.

Coverage

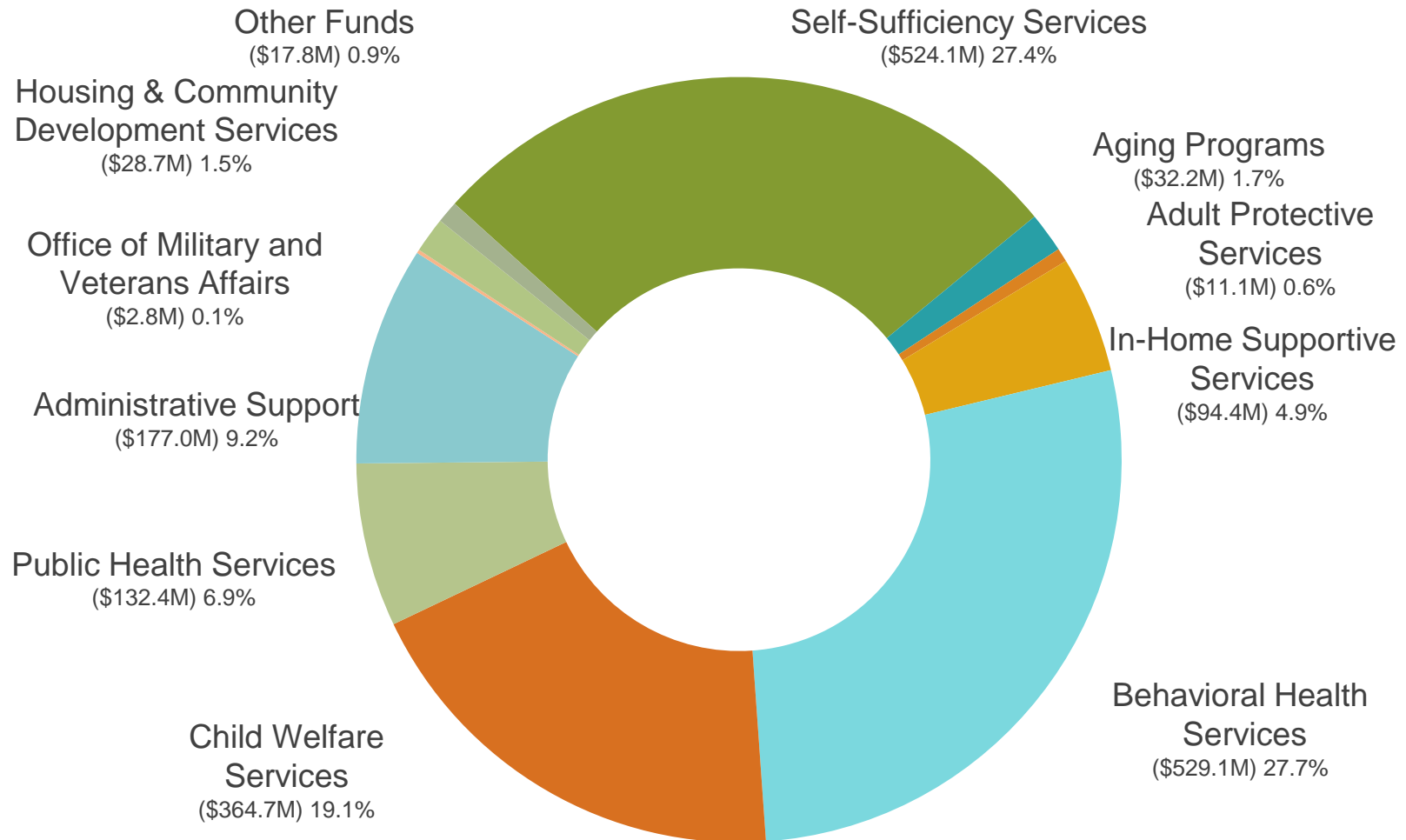
- Medi-Cal
- County Medical Services
- In-Home Supportive Services
- Housing Assistance

Care

- Skilled Nursing Facility
- Psychiatric Hospital
- Public Health Services
- Foster Care
- Emergency Medical Services
- California Children's Services

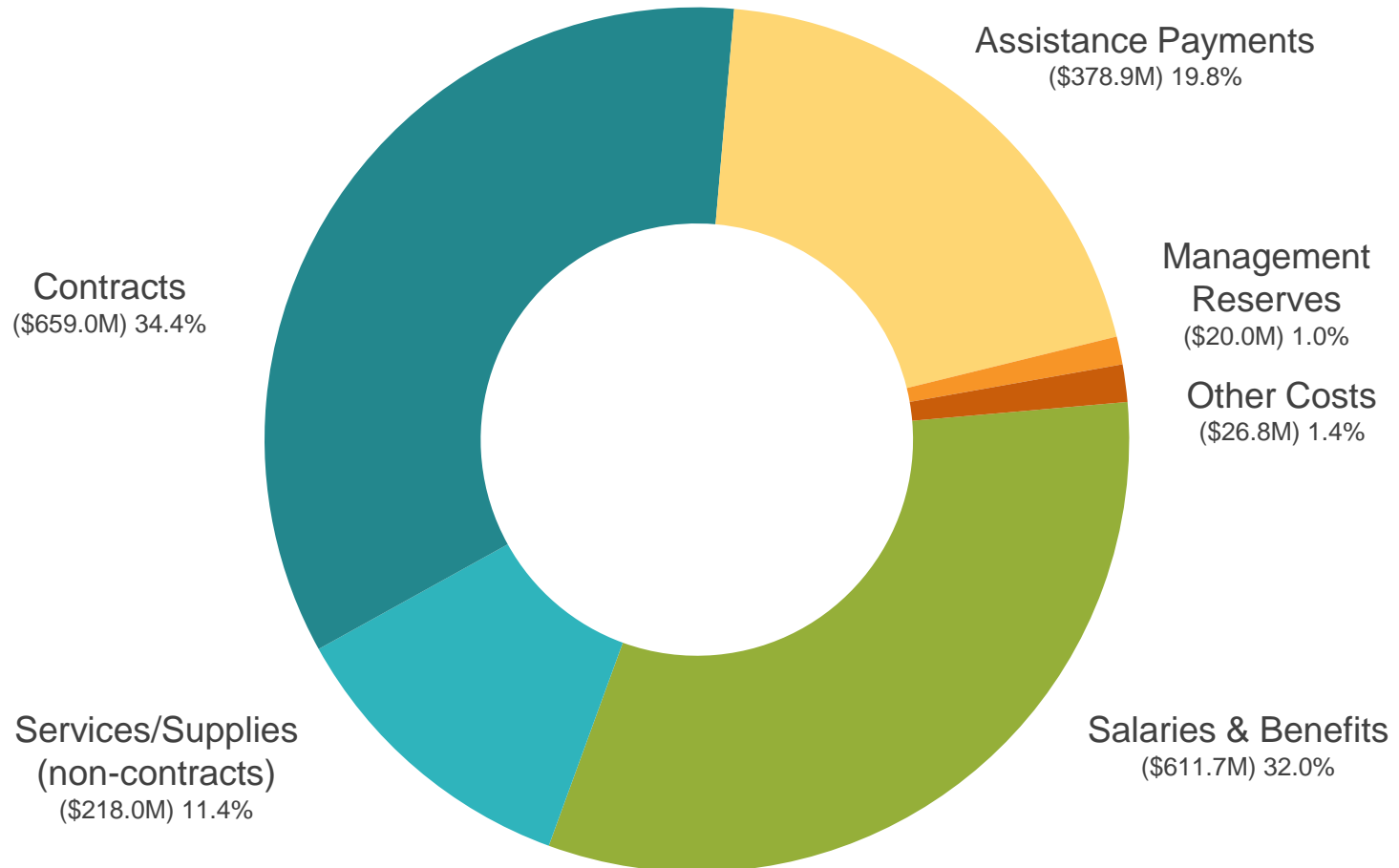


Budget by Program: \$1.9 billion





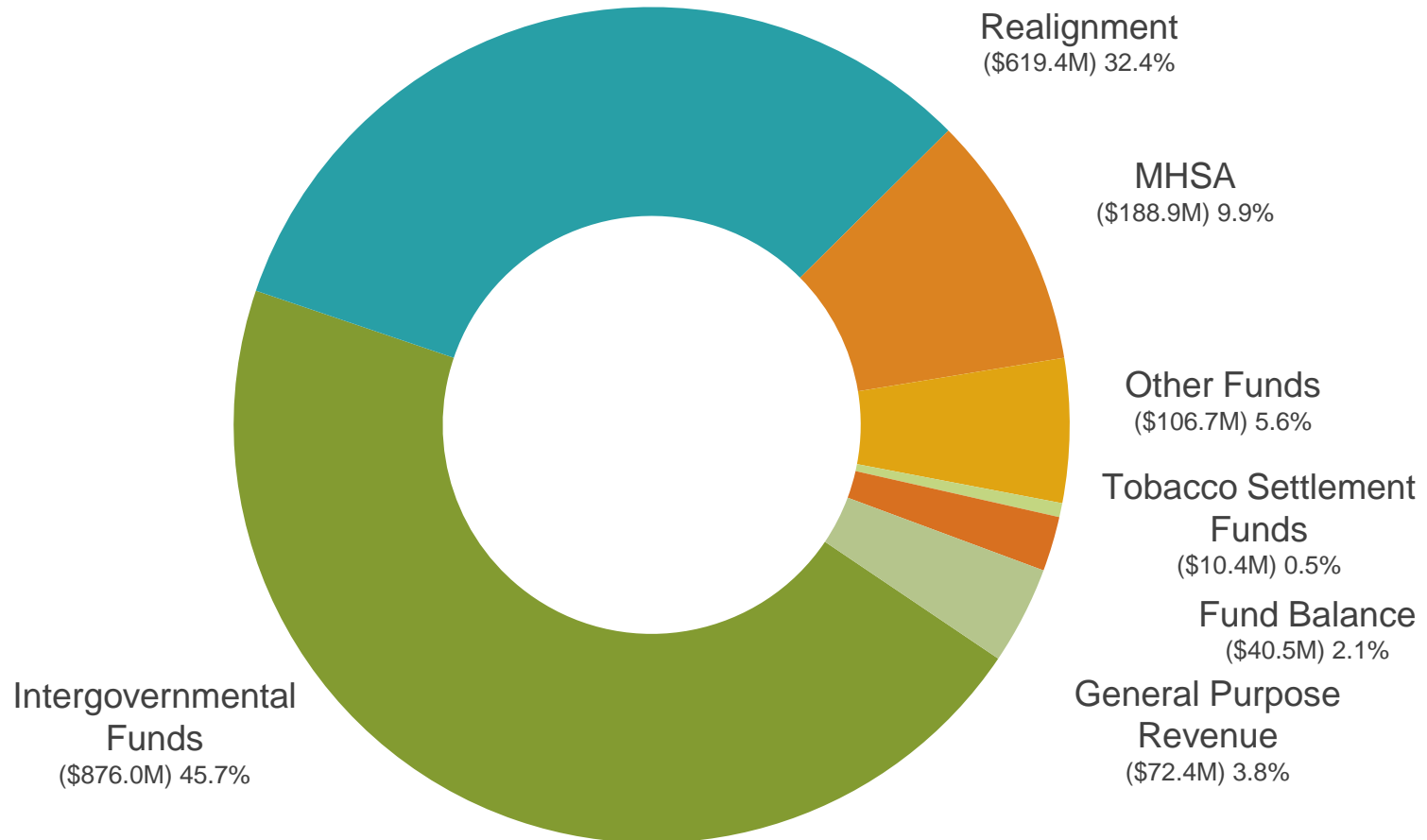
HHSA EXPENDITURES: \$1.9 billion



Increase of \$44.8M from FY2016-17 Adopted Budget



HHSA REVENUES: \$1.9 billion



Increase of \$44.8M from FY2016-17 Adopted Budget

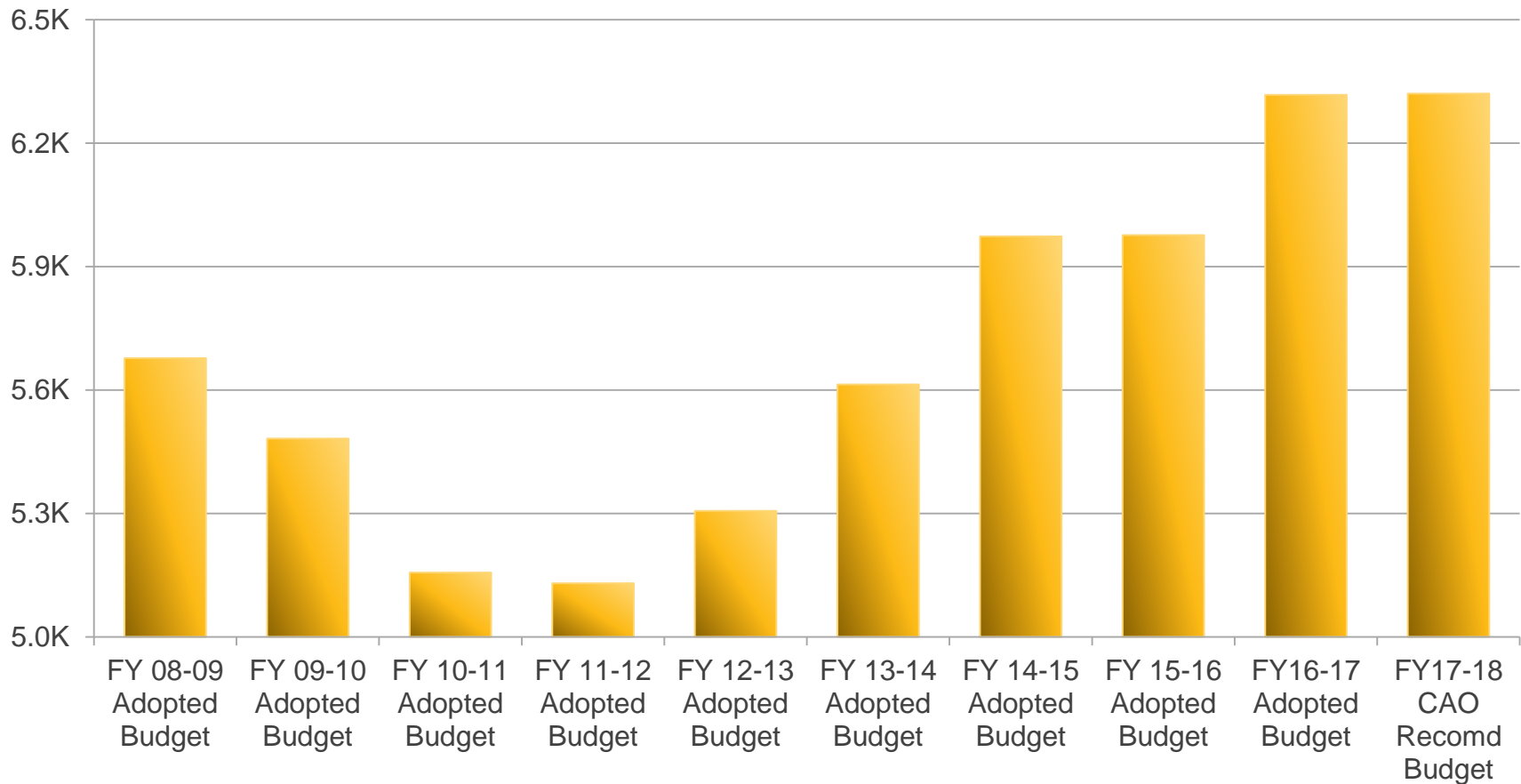


STAFFING CHANGES – BY PROGRAM

Program	FY 2016-17 Adopted Budget	FY 2017-18 CAO Rcnd Budget	Change	% Change
Self-Sufficiency Services	2,519.00	2,517.00	-2	-0.1%
Aging Programs	147.00	140.00	-7	-4.8%
Adult Protective Services	69.00	70.00	1	1.4%
In-Home Supportive Services	211.00	210.00	-1	-0.5%
Behavioral Health Services	818.00	823.00	5	0.6%
Child Welfare Services	1,364.00	1,368.00	4	0.3%
Public Health Services	645.50	648.50	3	0.5%
Administrative Support	426.00	426.00	0	0.0%
Office of Military and Veterans Affairs	16.00	17.00	1	6.3%
Housing & Community Development Services	102.00	101.00	-1	-1.0%
Total	6,317.50	6,320.50	3	0.0%



BUDGETED HHSA STAFFING LEVELS





HHSA MAJOR BUDGET CHANGES

■ **Increases**

- \$13.5M –Salaries & Benefits
 - Increased Retirement Contributions, Negotiated Labor Agreements, and increase of 3.00 staff years
- \$61.0M - Service Delivery Investments
 - \$42.7M – Behavioral Health Services Expansions/Enhancements (*Net increase to BHS budget is \$28.5M after technical adjustments to internal service funds and other accounts that do not impact services.*)
 - \$18.3M – Program Investments Across Multiple Departments

■ **Decreases**

- \$24.5M – Self-Sufficiency Services caseload adjustments
- \$5.2M - Community-based Care Transitions Program (CCTP)



BEHAVIORAL HEALTH SERVICES EXPANSIONS & ENHANCEMENTS – INCREASE OF \$28.5M TO BHS BUDGET

- Increase of \$42.7M proposed to expand contracted services budget
 - Continued expansion of treatment slots under Project One For All
 - Long-Term Care investments including additional inpatient beds, Institute for Mental Disease (IMD) beds, and residential step-down beds
 - Expansion of crisis stabilization services for youth
 - Continued emphasis of Psychiatric Emergency Response Teams (PERT)
 - Rate increases to Alcohol & Other Drug (AOD) contracts
 - Various other system of care investments for Adults, Children, Youth & Families
- Offsetting decrease of \$14.2M in internal service funds and other accounts with no impact to services.



INCREASED PROGRAM INVESTMENTS ACROSS DEPARTMENTS

- \$5.5M Whole Person Wellness Services
 - Care coordination and services integration for homeless individuals that are high users of Medi-Cal services and have a serious mental illness, substance use disorder, and/or chronic health condition
- \$5.3M Child Welfare Services Continuum of Care Reform (CCR)
 - State legislation aimed at improving outcomes for children and families
- \$2.8M Aging Services
 - IHSS, senior nutrition, Alzheimer's investments, and other supports

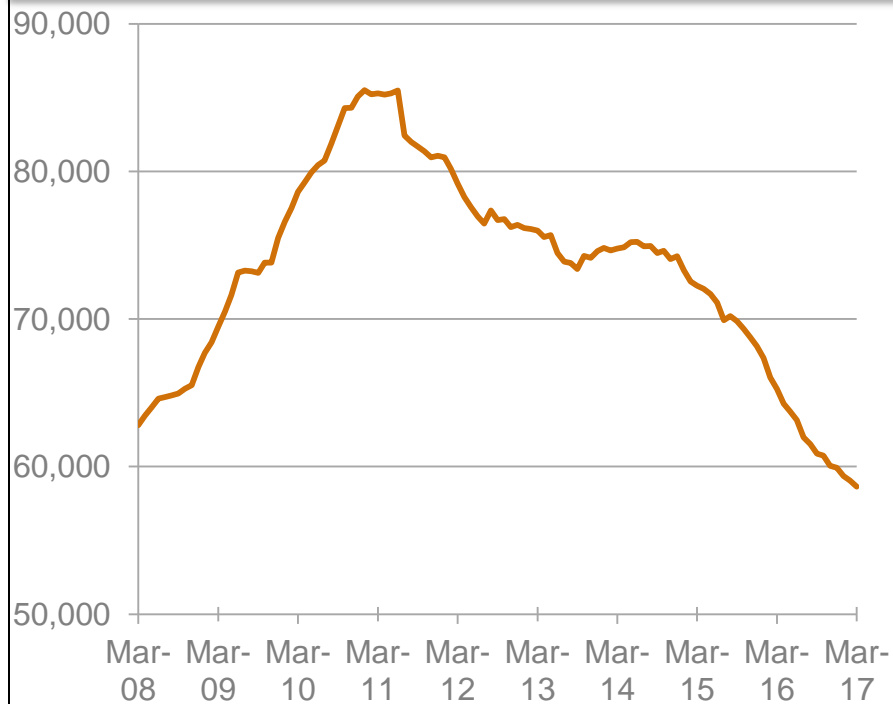


INCREASED PROGRAM INVESTMENTS ACROSS DEPARTMENTS

- \$2.0M Public Health Services
 - Examples include Tobacco Control, Childhood Lead Poisoning Prevention Program, Nutrition Education
- \$1.8M Housing Stability & Support Services
 - Supporting families connected to the Child Welfare system and families on CalWORKs
- \$0.9M Veterans Services
 - Primarily for home- or community-based assistance with activities of daily living

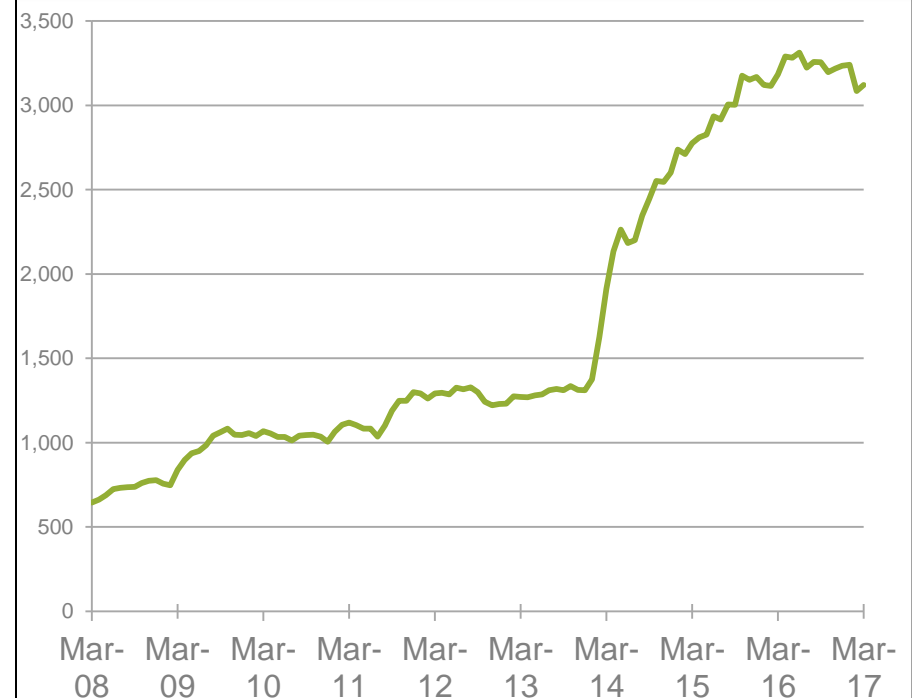


CalWORKS Recipients



\$169.4M
\$20.0M decrease

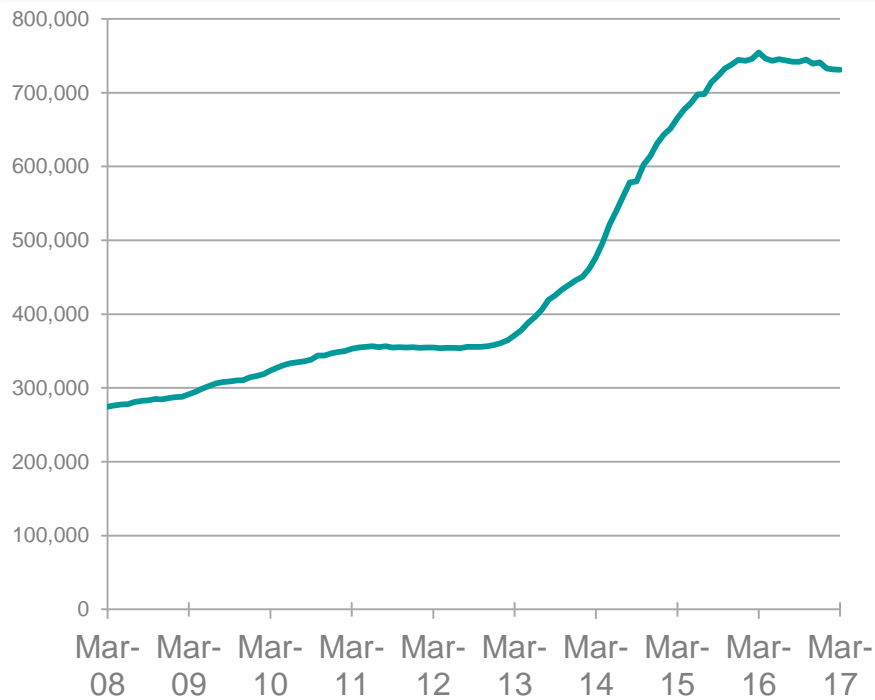
General Relief Recipients



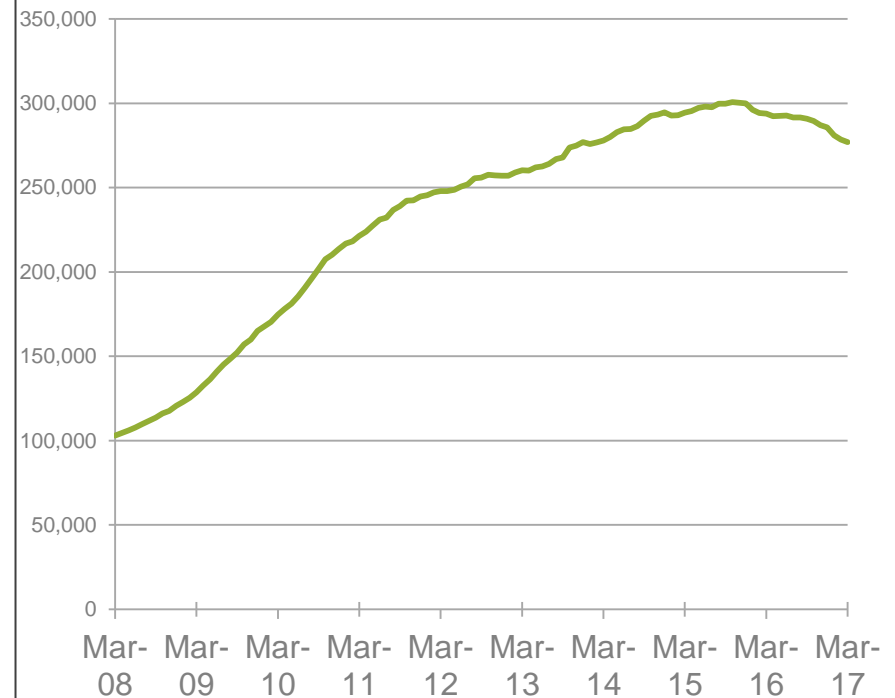
\$12.2M
\$1.8M decrease



Medi-Cal Recipients



CalFresh Recipients





FINANCIAL PLANNING CYCLE NEXT STEPS



Key Dates

May 2, 2017

May 2017

June 12-21, 2017

June 21, 2017

June 27-28, 2017

Aug 1, 2017

BOS accepts CAO Recommended Operational Plan

Advisory Board presentations

Public Hearings

Last Day for Citizen Advisory Committees to Submit Budget Statements

BOS Deliberations

BOS adopts Operational Plan



- Andrew Pease, Executive Finance Director, HHSA
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- Ardee Apostol, Revenue and Budget Manager, HHSA
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- Charissa Japlit, Departmental Budget Manager, HHSA
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 - (619) 338-2885